

FARMERS AND MERCHANTS FINANCIAL CORPORATION

	CPP Disbursement Date 03/20/2009	RSSD (Holding Company) 1059694	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2010 \$ millions	2011 \$ millions	%chg from prev		
Assets	\$26	\$30	14.4%		
Loans	\$19	\$20	2.2%		
Construction & development	\$0	\$0	-88.5%		
Closed-end 1-4 family residential	\$3	\$3	-1.9%		
Home equity	\$0	\$0			
Credit card	\$0	\$0			
Other consumer	\$1	\$0	-74.7%		
Commercial & Industrial	\$3	\$3	-11.6%		
Commercial real estate	\$1	\$2	13.8%		
Unused commitments	\$2	\$2	-13.4%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$0	\$0			
Asset-backed securities	\$0	\$0			
Other securities	\$4	\$4	2.3%		
Cash & balances due	\$1	\$3	126.1%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$0	\$0			
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$0	\$0			
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$24	\$28	14.2%		
Deposits	\$24	\$28	14.9%		
Total other borrowings	\$0	\$0	-100.0%		
FHLB advances	\$0	\$0			
Equity					
Equity capital at quarter end	\$2	\$2	16.3%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA		
Performance Ratios					
Tier 1 leverage ratio	7.3%	7.3%	--		
Tier 1 risk based capital ratio	11.3%	11.0%	--		
Total risk based capital ratio	12.5%	12.2%	--		
Return on equity ¹	-0.6%	14.9%	--		
Return on assets ¹	0.0%	1.1%	--		
Net interest margin ¹	4.4%	4.9%	--		
Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}	24.8%	568.9%	--		
Loss provision to net charge-offs (qtr)	9.5%	2.3%	--		
Net charge-offs to average loans and leases ¹	5.2%	3.6%	--		
¹ Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2010	2011	2010	2011	
Construction & development	0.0%	0.0%	0.0%	0.0%	--
Closed-end 1-4 family residential	0.0%	1.7%	0.0%	0.0%	--
Home equity	0.0%	0.0%	0.0%	0.0%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	0.9%	0.0%	0.7%	0.0%	--
Commercial & Industrial	48.5%	0.0%	7.7%	6.4%	--
Commercial real estate	0.0%	0.0%	0.0%	0.0%	--
Total loans	7.9%	0.2%	1.4%	0.9%	--